

# Annual Statement of Senior Postholders' Remuneration

Academic Year 2018 -2019

Board of Governors

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## 1.0 Introduction

The Committee of University Chairs (CUC) Higher Education Senior Staff Remuneration Code requires the Remuneration Committee to produce an 'Annual Statement of Senior Postholders Remuneration' to the Board of Governors on an annual basis.

This report is designed to provide sufficient assurance to the Board of Governors that the Remuneration Committee has effectively discharged its responsibilities.

## 2.0 Background

Higher Education Institutions (HEIs) have a major impact on the economy of the UK. HEIs make a valuable contribution to the social and cultural life of their communities. UK HEIs provide cost-effective, world-renowned research and have many global institutions and companies as partners. They act as vital anchor institutions in their regions, working alongside public sector and commercial organisations in driving productivity and creating a sense of place. HEIs are also global businesses.

UK HEIs are large and complex organisations: the sector is diverse. All of this is delivered within an increasingly competitive environment both nationally and internationally, where student demand for places both at subject and institutional level is increasingly volatile. HEIs face constant challenges and increasing competition, to which they continue to respond by enhancing their presence and reputation internationally, nationally and locally, while at the same time maintaining and improving the learning and teaching they offer and the research they undertake.

With this agenda, it is vital that they should attract, recruit and retain the best possible staff. The risk of not securing the very best academic and professional leadership for institutions is an important consideration for the Board of Governors. In this context, it is important that any decisions on levels of remuneration must balance the need to demonstrate effective use of stakeholder funds with the need to recruit, retain and fairly reward those staff. Although not in the public sector, HEIs receive a significant amount of investment from taxpayers, students and other stakeholders and accordingly need to demonstrate to those that provide financial support that decisions made in respect of remuneration are evidence-based, proportionate and necessary to enable the HEI to continue to deliver effective outcomes in a competitive environment.

## 3.0 Remuneration Committee

The [Terms of Reference for the Remuneration Committee](#) are available to view online. These are reviewed annually and were last approved at the meeting held on 08 October 2019, as part of this annual review cycle.

The following members of the Board of Governors have served on the Remuneration Committee during the 2018-19 academic year:

- Chair of the Remuneration Committee: John Henderson
- Members of the Remuneration Committee: Richard Cotterell (to 11 June 2019)  
David Gage

During the academic year 2018-2019, the Remuneration Committee did not employ additional services of any consultants to advise on remuneration considerations. Prior to September 2018 the Vice Chancellor was a Member of the Remuneration Committee. Since this date, the Vice Chancellor has been removed as a Member of the Committee and is now deemed as “in attendance” for specific agenda items. It should be noted that the Vice Chancellor has not been present for consideration of her own salary at Remuneration Committee, irrespective of the membership status. This continues to be the case.

The Remuneration Committee met on the following occasions during 2018-19:

- 03 September 2018
- 14 May 2019

The following Members of the Board of Governors now serve on the Remuneration Committee during the academic year 2019-20:

- Chair of the Remuneration Committee: John Henderson
- Members of the Remuneration Committee: Jonathan Vardon  
Colin Hughes

As at the date of this report, the Remuneration Committee had met once, on 08 October 2019.

Minutes of the Remuneration Committee are classed as confidential and are not available publicly. This report however provides an overview of decisions made on Senior Postholders’ remuneration for the academic year.

#### **4.0 The Approach to Remuneration Committee Deliberations on Senior Staff Remuneration**

The Remuneration Committee has considered the remuneration of the following postholders:

- Vice Chancellor and Chief Executive
- Deputy Vice Chancellor
- Chief Financial Officer
- Chief Operating Officer
- Pro Vice Chancellor – Student Experience
- Pro Vice Chancellor – Place and Engagement
- Pro Vice Chancellor - Digital

Remuneration deliberations are made in the context of the Remuneration of Senior Postholders Policy approved by the Remuneration Committee on 03 September 2018 and reviewed and updated on 08 October 2019. The [full policy is available on the University website](#).

#### **5.0 Annual Review of the Salary for the Roles**

##### **5.1 Vice Chancellor and Chief Executive**

##### ***5.1.1 Base Pay Increases with effect from 01 August 2019 for Vice Chancellor***

To retain staff, the Remuneration Committee consider the market position of the Vice Chancellor and Chief Executive's role, reviewing this against comparator institutions/organisations. The choice of these comparators is linked to institutional strategy. The comparators are as follows:

- Birmingham City University
- University of Derby
- Wolverhampton University
- UCLAN
- Huddersfield University
- Liverpool John Moores
- Coventry
- Keele
- Leicester De Montfort
- Sunderland

For these purposes the Remuneration Committee utilises the CUC Annual Survey of Vice Chancellors' Remuneration. In addition to this, the Remuneration Committee also use the University and Colleges Employers Association (UCEA) Annual Survey of Senior Postholders.

The University complies with the accounts direction provided by the Office for Students.

The pay multiple of the Vice Chancellor and the median earnings of the institution's whole workforce, illustrating how that multiple has changed over time is shown below. To assist with consistency and comparison, the definition for the multiple is based on the methodology used by UCEA.

In 2017-18 the Vice Chancellor's basic salary was 6.3 times the median pay of staff, where the median pay is calculated on a fulltime equivalent basis for salaries paid by the University to its staff. The median for the sector was 7.4 times, with the median for the post-92 sector of 6.8 times. Following the meeting of the Remuneration Committee in September 2018, the median moved to 6.5 for the 2018-19 academic year (with effect from 01 August 2018). Data for the median of the sector for 2018-19 is not currently available from UCEA. Following the meeting of the Remuneration Committee on 08 October 2019, the median is now 6.7 for the Vice Chancellor's pay as of 1 August 2019, based on the 2018-19 all-staff data set.

In 2017-18 the Vice Chancellor's total remuneration was 7.1 times the median total remuneration of staff, where the median total remuneration is calculated on a fulltime equivalent for the total remuneration paid by the University for its staff. The median for the sector was 7.9 times, with the median for the post-92 part of the sector at 7.2 times. Following the meeting of the Remuneration Committee in September 2018, the median moved to 7.1 for the 2018-19 academic year (with effect from 01 August 2018). Following the meeting of the Remuneration Committee on 08 October 2019 the median moved to 6.8 for the 2019-20 academic year (with effect from 01 August 2019), based on the 2018-19 all-staff data set.

The Remuneration Committee considers the market position of the Vice Chancellor and Chief Executive's role, reviewing against comparator institutions. For 2018-2019, the

salary of the Vice Chancellor was below the median of the post 92 sector, of institutions of a similar turnover, as measured by the UCEA Annual Survey of Senior Postholders and below all but one of the comparators in the CUC Annual Survey of Vice Chancellors Remuneration (2019) comparator set.

The Remuneration Committee also considers the performance of the institution when reviewing remuneration of the Vice Chancellor and Chief Executive. Most notably, in the Strategic Plan from 2016-2021 there were three high-level key performance indicators. These were Teaching Excellence and Student Outcome Framework (TEF) Gold, top 50% position in the main UK league tables and financial sustainability.

Following resubmission in the TEF process, the University, based on its much-improved metrics, was awarded Gold standard in the Teaching Excellence and Student Outcome Framework (TEF). Also during 2018-2019 the University moved into the top 50% of universities in the 3 key UK university league tables.

The University has risen for the 3<sup>rd</sup> consecutive year in the Complete University Guide (from 73<sup>rd</sup> to 58<sup>th</sup> - a rise of 47 places over the last 3 years) and for the 6<sup>th</sup> consecutive year in the Guardian League Table (90<sup>th</sup> to 37<sup>th</sup> – a rise of 53 places since the 2015 rankings). This represents the University's first entry into the top 40 in this key league table. The University is joint 3<sup>rd</sup> in the country for "Students' Satisfaction with Assessment" and rose for a 3<sup>rd</sup> consecutive year in the Sunday Times Good University Guide to 57<sup>th</sup> in 2018-2019 (a 6-place rise, from 63<sup>rd</sup> to 57<sup>th</sup>, and a rise of 35 places in total over the last 3 years). It continues to be in the Top 10 for Teaching Quality. Finally during 2018-2019, the University moved onto a sustainable financial footing, and 2018-2019 therefore saw the achievement of these high-level university KPIs two years ahead of schedule.

In addition, the following achievements are recorded:

- First entry into the THE World Rankings in 2019
- Shortlisted for the University of the Year Award at the Sunday Times Awards 2019

As part of the Queen's Birthday Honours, the Vice Chancellor received a CBE for her contribution to Higher Education. In addition, in recognition of her leadership, the Vice Chancellor was nominated to join the Cabinet Office National Leadership Centre Programme, for those who are recognised as amongst the most talented, high-potential leaders in their sector, nominated by the Department for Education.

## **5.2 All Other Senior Postholders**

### **5.2.1 *Base pay increases with effect from 1 August 2019 for all other Senior Postholders:***

To retain staff, the Remuneration Committee consider the market position of senior postholder's roles, reviewing this against comparator institutions/organisations. For these purposes the Remuneration Committee utilises the UCEA Annual Survey of Senior Postholders.

The deliberations and outcomes of the Remuneration Committee are in accordance with the Remuneration of Senior Postholders Policy.

## **6.0 Additional Benefits**

In addition to the base pay for the role and performance related pay, the Vice Chancellor and Senior Postholders also receive the following benefits:

- Increased death in service payment of 1 x salary
- Private medical provision for the role holder

Together with other contractual benefits such as annual leave, sickness payments and notice period. These have not changed during this academic year.

## **7.0 Additional External Income**

It is important for institutions that Senior Postholders represent the University on various bodies and boards and carry out academic and civic responsibilities at other organisations, e.g. non-executive director roles. The University's position on such income is outlined in the Remuneration of Senior Postholders Policy.

## **8.0 Expenses**

Within the Financial Regulations are the detailed guidance for the claiming of expenses incurred with fulfilling the requirements of the role. The authorisation of such expenses is as follows:

- Vice Chancellor to be authorised by the Chair of the Board of Governors
- Other Senior Postholders authorised by the Vice Chancellor

The Remuneration Committee, at its autumn meeting, reviewed the expenses claimed by Senior Postholders and were satisfied that these were at an appropriate level for the conduct of University business.

## **10.0 Severance Payments**

There were no severance payments made to Senior Postholders during this academic year.

## **11.0 Staff Not Within the Remit of the Remuneration Committee**

Staff who are not covered by the remit of the Remuneration Committee have their annual pay uplift determined through the national JNCHES Negotiating Committee, comprised of the seven recognised trade unions within the Higher Education sector and UCEA, representing the Universities as employers. The Cost of Living pay award, payable with effect from 1 August 2019 is 1.8%. In addition to the Cost of Living pay award, all other staff are employed within grades, which have incremental progression to the maximum of the scale, subject to satisfactory performance within the role. Individual's roles are placed within the correct grade using the HERA factor-based job evaluation scheme. The full range of contractual benefits for staff are available on the University's website.

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*Statement approved by the Remuneration Committee on 08 October 2019 and presented to the Board of Governors on 20 November 2019.*